

RESOLUTION NO. _____

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF LEON COUNTY, FLORIDA AUTHORIZING THE AWARD OF THE EQUIPEMENT LEASE TO BANC OF AMERICA LEASING & CAPITAL, LLC; AUTHORIZING THE EXECUTION AND DELIVERY OF THE MASTER EQUIPMENT LEASE/PURCHASE AGREEMENT; PROVIDING CERTAIN OTHER COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Energy Savings Group solicited bids on behalf of the Board of County Commissioners of Leon County, Florida (the "County") for capital energy improvements;

WHEREAS, the County has received such bids and desires to award such contract to Banc of America Leasing & Capital, LLC ("BOA"); and

WHEREAS, the County desires to approve such agreements and documents necessary to consummate such lease.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF LEON COUNTY, FLORIDA that:

SECTION 1. Award. The contract is hereby awarded to Banc of America Leasing & Capital, LLC.

SECTION 2. Lease Agreement. The Master Equipment Lease/Purchase Agreement between the County and BOA (the "Agreement") is hereby approved in substantially the form attached hereto as Exhibit A. The County Administrator is hereby authorized to execute the Agreement with such changes, insertions and omissions as may be approved by the County Administrator signing the Agreement, the execution thereof shall be conclusive evidence of such approval.

SECTION 3. Authorizations. The County Administrator, the Chairman, the County Attorney, the Finance Director or any other appropriate officer of the County are hereby authorized and directed to execute any and all certifications, tax documents or other instruments or documents required by the Agreement, this Resolution or any other document as prerequisite or precondition to the entering the Agreement and any representation made therein shall be deemed to be made on behalf of the County.

SECTION 4. Effective Date. This Resolution shall take effect immediately upon adoption.

DULY PASSED AND ADOPTED by the Board of County Commissioners of Leon County, Florida on this _____ day of _____, 2005.

BOARD OF COUNTY COMMISSIONERS OF
LEON COUNTY, FLORIDA

By: _____
CLIFF THAELL, CHAIRMAN
BOARD OF COUNTY COMMISSIONERS

ATTESTED BY:

BOB INZER, CLERK OF THE COURT

By: _____

APPROVED AS TO FORM:

COUNTY ATTORNEY'S OFFICE
LEON COUNTY, FLORIDA

BY: _____
HERBERT W.A. THIELE, ESQ.
COUNTY ATTORNEY

Exhibit A

**MASTER EQUIPMENT LEASE/PURCHASE AGREEMENT
(FLORIDA VERSION)**

This Master Equipment Lease/Purchase Agreement (this “Agreement”) dated as of _____, and entered into between Banc of America Leasing & Capital, LLC, a Delaware limited liability company (“Lessor”), and _____, a [body corporate and politic/municipality] existing under the laws of the State of Florida (“Lessee”).

WITNESSETH:

Whereas, Lessee desires to lease and acquire from Lessor certain equipment described in each Schedule (as each such term is defined herein), subject to the terms and conditions of and for the purposes set forth in each Lease; and in the event of a conflict the terms of a Schedule prevail; and

Whereas, the relationship between the parties shall be a continuing one and items of equipment may be added to the Equipment from time to time by execution of additional Schedules by the parties hereto and as otherwise provided herein; and

Whereas, Lessee is authorized under the constitution and laws of the State to enter into this Agreement and the Schedules hereto for the purposes set forth herein;

Now, Therefore, for good and valuable consideration, receipt of which is hereby acknowledged, and in consideration of the premises hereinafter contained, the parties hereby agree as follows:

ARTICLE I

Section 1.01. Definitions. The following terms will have the meanings indicated below unless the context clearly requires otherwise:

“*Acquisition Amount*” means the amount specified in each Lease and represented by Lessee to be sufficient to acquire the Equipment listed in such Lease, which amount shall be not less than \$100,000 per Lease for Leases where the Acquisition Amount is to be paid directly to the Vendor.

“*Acquisition Fund*” means, with respect to any Lease, the fund established and held by the Acquisition Fund Custodian pursuant to the related Acquisition Fund Agreement, if any.

“*Acquisition Fund Agreement*” means, with respect to any Lease, an Acquisition Fund Agreement in form and substance acceptable to and executed by Lessee, Lessor and the Acquisition Fund Custodian, pursuant to which an Acquisition Fund is established and administered.

"Acquisition Fund Custodian" means the Acquisition Fund Custodian identified in any Acquisition Fund Agreement, and its successors and assigns.

"Acquisition Period" means, with respect to each Lease, that period stated in the Schedule to such Lease during which the Lease Proceeds attributable to such Lease may be expended on Equipment Costs.

"Act" means, collectively, _____, the Constitution of the State, and other applicable provisions of law.

"Agreement" means this Master Equipment Lease/Purchase Agreement, including the exhibits hereto, together with any amendments and modifications to the Agreement pursuant to Section 13.06.

"Code" means the Internal Revenue Code of 1986, as amended. Each reference to a Section of the Code herein shall be deemed to include the United States Treasury Regulations proposed or in effect thereunder.

"Commencement Date" means, for each Lease, the date when Lessee's obligation to pay Rental Payments commences under such Lease, which date shall be the earlier of (i) the date on which the Equipment listed in such Lease is accepted by Lessee in the manner described in Section 5.01, or (ii) the date on which sufficient moneys to purchase the Equipment listed in such Lease are deposited for that purpose with an Acquisition Fund Custodian.

"Equipment" means the property listed in each of the Leases and all replacements, repairs, restorations, modifications and improvements thereof or thereto made pursuant to Section 8.01 or Article V. Whenever reference is made in this Agreement to Equipment listed in a Lease, such reference shall be deemed to include all such replacements, repairs, restorations, modifications and improvements of or to such Equipment.

"Equipment Costs" means, to the extent permitted by the Act, the total cost of the Equipment listed in each Lease, including all delivery charges, installation charges, capitalizable consulting and training fees approved by Lessor, legal fees, financing costs, motor vehicle registration fees, recording and filing fees, and other costs necessary to vest full, clear legal title to the Equipment in Lessee, subject to the security interest granted to and retained by Lessor as set forth in each Lease, and otherwise incurred in connection with the financing provided by the lease-purchase of the Equipment as provided in each Lease; provided that in no event shall approved consulting and training fees or other non-capitalizable "soft" costs relating to the Equipment listed in any Lease which are to be financed by Lessor hereunder exceed 2% of the total cost of such Equipment as determined by Lessor; and provided further, that in no event shall capitalizable delivery charges, installation charges, taxes and similar capitalizable "soft costs" relating to such Equipment be included without Lessor's prior consent.

"Expense Fund" means, with respect to any Lease, the fund established and held by the Acquisition Fund Custodian pursuant to the related Acquisition Fund Agreement.

"Event of Default" means an Event of Default described in Section 12.01.

"Lease" means a Schedule and the terms of this Agreement which are incorporated by reference into such Schedule. Each Schedule with the incorporated terms of this Agreement shall constitute a separate and independent Lease.

"Lease Proceeds" means, with respect to each Lease, the total amount of money to be paid by Lessor to the Acquisition Fund Custodian for deposit and application in accordance with such Lease and the Acquisition Fund Agreement.

"Lease Term" for each Lease means the Original Term and all Renewal Terms therein provided and for this Agreement means the period from the date hereof until this Agreement is terminated.

"Lessee" means the entity referred to as Lessee in the first paragraph of this Agreement.

"Lessor" means (a) the entity referred to as Lessor in the first paragraph of this Agreement or (b) any assignee or transferee of any right, title or interest of Lessor in and to the Equipment under a Lease or any Lease (including Rental Payments thereunder) pursuant to Section 11.01, but does not include any entity solely by reason of that entity retaining or assuming any obligation of Lessor to perform under a Lease.

"Original Term" means the period from the Commencement Date for each Lease until the end of the fiscal year of Lessee in effect at such Commencement Date.

"Purchase Price" means, with respect to the Equipment listed on a Lease, the amount that Lessee may pay to Lessor to purchase such Equipment as provided in such Lease.

"Renewal Terms" means the renewal terms of each Lease, each having a duration of one year and a term coextensive with Lessee's fiscal year, as specified in the Schedule applicable thereto.

"Rental Payments" means the basic rental payments payable by Lessee under each Lease pursuant to Section 4.01, in each case consisting of a principal component and an interest component.

"Schedule" means each separately numbered Schedule of Property substantially in the form of Exhibit A hereto together with a Rental Payment Schedule attached thereto substantially in the form of Exhibit A-1 hereto.

"State" means the State of Florida.

"Utilization Period" means the date, with respect to each Lease not funded under an Acquisition Fund Agreement, by which Lessee must deliver an Acceptance Certificate for the Equipment under such Lease as indicated in Section 5.01(a).

"Vendor" means the manufacturer or supplier of the Equipment or any other person as well as the agents or dealers of the manufacturer or supplier from whom Lessor arranged Lessee's acquisition and financing of the Equipment pursuant to the applicable Lease.

ARTICLE II

Section 2.01. Representations and Covenants of Lessee. This Section 2.01 sets forth facts and estimates upon which Lessor and its counsel may rely regarding the exclusion of the interest portion of the Rental Payments from the gross income of Lessor, and the facts and estimates upon which Lessee bases its reasonable expectation that the obligation to make Rental Payments pursuant to the Leases does not create an arbitrage bond under Section 148 of the Internal Revenue Code of 1986, as amended, and applicable Treasury Regulations.

Lessee represents, covenants and warrants for the benefit of Lessor on the date hereof and as of the Commencement Date of each Lease as follows:

(a) Lessee is a state or a political subdivision thereof within the meaning of Section 103(c) of the Code, duly organized and existing under the constitution and laws of the State, including the Act, with full power and authority to enter into this Agreement and each Lease and the transactions contemplated hereby and to perform all of its obligations hereunder and under each Lease.

(b) Lessee has duly authorized the execution and delivery of this Agreement and each Lease by proper action of its governing body at a meeting duly called, regularly convened and attended throughout by the requisite quorum of the members thereof, or by other appropriate official approval, and all requirements have been met and procedures have occurred in order to ensure the validity and enforceability of this Agreement and each Lease.

(c) No event or condition that constitutes, or with the giving of notice or the lapse of time or both would constitute, an Event of Default exists at the date hereof. Lessee is not in default under any indenture, mortgage, deed of trust, bank loan, credit agreement or other instrument to which Lessee is a party.

(d) The entering into and performance of each Lease by Lessee will not violate any judgment, order, or regulation applicable to Lessee, and except as otherwise expressly provided in this Agreement, result in the creation of any lien, charge, security interest, or other encumbrance upon any assets of Lessee pursuant to any indenture, mortgage, deed of trust, bank loans, credit agreement or other instrument to which Lessee is a party or by which it or its assets may be bound.

(e) There are no actions, suits or proceedings pending or, to the knowledge of Lessee, threatened against or affecting Lessee in any court or before any governmental commission, board or authority, which, if adversely determined, will have a material adverse effect on the ability on Lessee to perform its obligations under this Agreement or any Lease.

(f) Lessee has complied and will comply with Sections 218.38, 218.385(2) and 218.385(3), Florida Statutes, with respect to each Lease.

(g) The interest rate for the interest portion of the Rental Payments, on the first date interest begins to accrue, does not exceed a rate of interest permitted by Section 215.84, Florida Statutes.

(h) Lessee will do or cause to be done all things necessary to preserve and keep in full force and effect its existence as a body corporate and politic.

(i) Lessee has complied and will comply with such open meeting laws and public bidding requirements as may be applicable to this Agreement and each Lease and the acquisition by Lessee of the Equipment as provided in each Lease or, in the case of public bidding requirements, has otherwise complied and will comply with Section 218.385(1), Florida Statutes, in connection with each Lease.

(j) During the Lease Term, the Equipment will be used by Lessee only for the purpose of performing essential governmental or proprietary functions of Lessee permitted under the Act. Lessee does not intend to sell or otherwise dispose of the Equipment or any interest therein prior to the last Rental Payment (including all Renewal Terms) scheduled to be paid under each Lease.

(k) Lessee has kept, and throughout the Lease Term will keep, its books and records in accordance with generally accepted accounting principles and practices consistently applied, and shall deliver to Lessor (i) annual audited financial statements (including a balance sheet, statement of revenues, expenses and changes in fund balances for budget and actual, statement of cash flows and notes, and schedules and attachments to the financial statements) within 180 days of its fiscal year end, (ii) quarterly financial statements (including a balance sheet, statement of revenues, expenses and changes in fund balances for budget and actual and statement of cash flows and notes) upon the request of Lessor, within 60 days of the end of the fiscal quarter for which such information has been requested, (iii) such other financial statements and information as Lessor may reasonably request, and (iv) its annual budget for the following fiscal year within 90 days of the adoption of such budget. Such statements in clause (i) above shall be accompanied by an unqualified opinion of Lessee's auditor. Credit information relating to Lessee may be disseminated among Lessor and any of its affiliates and any of their respective successors and assigns.

(l) The proceeds of the Lease, together with investment earnings thereon, will be expended to acquire Equipment within 6 months from the first day of the Original Term.

(m) Lessee has an immediate need for the Equipment listed on each Schedule and expects to make immediate use of the Equipment listed on each Schedule. Lessee's need for the Equipment is not temporary and Lessee does not expect the need for any item of the Equipment to diminish during the Lease Term of such item. The use of the Equipment is essential to Lessee's proper efficient and economic operation.

(n) The original proceeds of each Lease, and the interest to be earned thereon, do not and will not exceed the amount necessary for the purpose for which such Lease is executed.

(o) No sinking fund is expected to be created by Lessee with respect to any Lease or the Rental Payments.

(p) No other governmental obligations of Lessee are being issued at substantially the same time and sold pursuant to a common plan of financing which will be paid out of (or have

substantially the same claim to be paid out of) substantially the same source of funds as each Lease.

(q) No portion of the amounts received pursuant to each Lease will be used as a substitute for other funds which were otherwise to be used as a source of financing for any portion of the costs of Equipment and which have been and will be used to acquire, directly or indirectly, obligations producing a yield in excess of the yield on each Lease.

(r) In connection with the execution and delivery of each Lease, no action has or will be taken which attempts to circumvent the provisions of Section 148 of the Code and the regulations promulgated thereunder by (i) enabling Lessee to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage and (ii) over burdening the tax-exempt bond market.

(s) Lessee will not directly or indirectly use or permit the use of any proceeds of a Lease, or take or omit to take any action, that would cause the Rental Payments to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

(t) Lessee will submit to the Secretary of the Treasury information reporting statements and other information related to each Lease at the times and in the forms required by the Code.

(u) To the best of the knowledge and belief of Lessee, the expectations of Lessee, as set forth in this Section 2.01, are reasonable, and there are no present facts, estimates and circumstances which would change the expectations contained therein.

(v) There is no pending litigation, tax claim, proceeding or dispute that may adversely affect Lessee's financial condition or impairs its ability to perform its obligations hereunder. Lessee will, at its expense, maintain its legal existence in good standing and do any further act and execute, acknowledge, deliver, file, register and record any further documents Lessor may reasonably request in order to protect Lessor's security interest in the Equipment and Lessor's rights and benefits under this Lease.

(w) The payment of the Rental Payments or any portion thereof is not (under the terms of any Lease or any underlying arrangement) directly or indirectly (1) secured by any interest in property used or to be used in any activity carried on by any person other than a state or local governmental unit or payments in respect of such property; or (2) on a present value basis, derived from payments (whether or not to Lessee) in respect of property, or borrowed money, used or to be used in any activity carried on by any person other than a state or local governmental unit. The Equipment will not be used, directly or indirectly, in any activity carried on by any person other than a state or local governmental unit. No portion of the Equipment Costs for the Equipment will be used, directly or indirectly, to make or finance loans to any person other than Lessee. Lessee has not entered into any management or other service contract with respect to the use and operation of the Equipment.

(x) Lessee has reviewed and will review Internal Revenue Service Form 8038-G to be filed in connection with the execution and delivery of each Lease, and all of the information contained therein is, and will be, to the best of Lessee's knowledge, true and correct, and Lessee

will cause such Form 8038-G to be filed not later than 30 days after the execution and delivery of each Lease.

(y) Lessee reasonably expects that at least 85% of the proceeds of each Lease will be expended for the governmental purpose of the Lease within 3 years of the initial date of the Lease term, and less than 50% of the proceeds of each Lease will be invested in investment securities with a substantially guaranteed yield for 4 years or longer.

ARTICLE III

Section 3.01. Lease of Equipment. Subject to the terms of this Master Lease, Lessor agrees to provide the funds specified as the "Acquisition Amount" in each Lease to acquire the Equipment. Upon the execution of each Lease, Lessor demises, leases, transfers and lets to Lessee, and Lessee acquires, rents and leases from Lessor, the Equipment as set forth in such Lease and in accordance with the terms thereof.

Section 3.02. Continuation of the Lease Term. The Lease Term for each Lease may be continued, solely at the option of Lessee, at the end of the Original Term or any Renewal Term for the next succeeding Renewal Term up to the maximum Lease Term set forth in such Lease. At the end of the Original Term and at the end of each Renewal Term until the maximum Lease Term has been completed, Lessee shall be deemed to have exercised its option to continue each Lease for the next Renewal Term unless Lessee terminates such Lease pursuant to Section 3.03 or Section 10.01. The terms and conditions during any Renewal Term shall be the same as the terms and conditions during the Original Term, except that the Rental Payments shall be as provided in the applicable Lease.

Lessee intends, subject to Section 3.03, to continue the Lease Term of each Lease through the Original Term and all Renewal Terms and to pay the Rental Payments thereunder. Lessee affirms that sufficient funds are available for the current fiscal year, and Lessee reasonably believes that an amount sufficient to make all Rental Payments during the entire Lease Term of each Lease can be obtained from legally available funds of Lessee. Subject to Section 3.03, Lessee further intends to do all things lawfully within its power to obtain and maintain funds sufficient and available to discharge its obligation to make Rental Payments due hereunder, including making provision for such payments to the extent necessary in each budget or appropriation request submitted and adopted in accordance with applicable provisions of law, to have such portion of the budget or appropriation request approved and to exhaust all available reviews and appeals in the event such portion of the budget or appropriation request is not approved.

Section 3.03. Nonappropriation. Lessee is obligated only to pay such Rental Payments under each Lease as may lawfully be made from funds budgeted and appropriated for that purpose during Lessee's then current fiscal year. Should Lessee fail to budget, appropriate or otherwise make available funds to pay Rental Payments under any Lease following the then current Original Term or Renewal Term, such Lease or Leases shall be deemed terminated at the end of the then current Original Term or Renewal Term. Lessee agrees to deliver notice to Lessor of such termination at least 90 days prior to the end of the then current Original Term or

Renewal Term, but failure to give such notice shall not extend the term beyond such Original Term or Renewal Term. If any Lease is terminated in accordance with this Section, Lessee agrees to peaceably deliver the Equipment to Lessor at the location(s) to be specified by Lessor.

Section 3.04. Substitution. Lessee reserves the right to substitute Equipment of the same quantity and general type with the approximate equal value, utility and remaining useful life as the Equipment so replaced. Such substitution is subject to Lessor's prior written consent, which consent shall not be unreasonably withheld, and shall be reflected in an amendment to the appropriate Schedule.

Section 3.05. Conditions to Lessor's Performance Under Any Lease.

(a) As a prerequisite to the performance by Lessor of any of its obligations pursuant to any Lease, Lessee shall deliver to Lessor the following:

- (i) A fully completed Schedule, executed by Lessee;
- (ii) An Acquisition Fund Agreement, executed by Lessee and the Acquisition Fund Custodian, unless Lessor pays 100% of the Acquisition Amount directly to the Vendor upon execution of the Lease;
- (iii) A Certificate executed by the Clerk or Secretary or other comparable officer of Lessee, in substantially the form attached hereto as Exhibit C, completed to the satisfaction of Lessor;
- (iv) A certified copy of a resolution or other official action of Lessee's governing body authorizing the execution and delivery of the Lease and performance by Lessee of its obligations thereunder;
- (v) An opinion of counsel to Lessee in substantially the form attached hereto as Exhibit D respecting such Lease and otherwise satisfactory to Lessor;
- (vi) An executed Essential Use/Source of Funds Certificate in substantially the form attached hereto as Exhibit E;
- (vii) Evidence of insurance as required by Section 7.02 hereof;
- (viii) All documents, including financing statements, affidavits, notices and similar instruments, in form satisfactory to Lessor;
- (ix) A copy of a fully completed and executed Form 8038-G; and
- (x) Such other items, if any, as are set forth in such Lease or are reasonably required by Lessor.

(b) In addition, the performance by Lessor of any of its obligations pursuant to any Lease shall be subject to: (i) no material adverse change in the financial condition of Lessee since the date of this Agreement, (ii) no Event of Default having occurred, and (iii) if no

Acquisition Fund has been established, the Equipment must be accepted by Lessee no later than _____ (the "Utilization Period").

(c) Subject to satisfaction of the foregoing, Lessor will pay the Acquisition Amount for Equipment described in a Schedule to the Vendor upon receipt of the documents described in Section 5.01; or if an Acquisition Fund has been established pursuant to an Acquisition Fund Agreement, Lessor will deposit the Acquisition Amount for Equipment described in the Schedule with the Acquisition Fund Custodian.

(d) This Agreement is not a commitment by Lessor to enter into any Lease not currently in existence, and nothing in this Agreement shall be construed to impose any obligation upon Lessor to enter into any proposed Lease, it being understood that whether Lessor enters into any proposed Lease shall be a decision solely within Lessor's discretion.

(e) Lessee will cooperate with Lessor in Lessor's review of any proposed Lease. Without limiting the foregoing, Lessee will provide Lessor with any documentation or information Lessor may request in connection with Lessor's review of any proposed Lease. Such documentation may include, without limitation, documentation concerning the Equipment and its contemplated use and location and documentation or information concerning the financial status of Lessee and other matters related to Lessee.

ARTICLE IV

Section 4.01. Rental Payments. Subject to Section 3.03, Lessee shall promptly pay Rental Payments, in lawful money of the United States of America, to Lessor on the dates and in such amounts as provided in each Lease. Lessee shall pay Lessor a charge on any Rental Payment not paid on the date such payment is due at the rate of 16% per annum or the maximum amount permitted by law, whichever is less, from such date. Rental Payments consist of principal and interest payments as more fully detailed on each Schedule, the interest on which begins to accrue as of the Commencement Date for each such Schedule.

Section 4.02. Interest and Principal Components. A portion of each Rental Payment is paid as, and represents payment of, interest, and the Balance of each Rental Payment is paid as, and represents payment of, principal. Each Lease shall set forth the principal and interest components of each Rental Payment payable thereunder during the Lease Term.

Section 4.03. Rental Payments to Constitute a Current Expense of Lessee. Lessor and Lessee understand and intend that the obligation of Lessee to pay Rental Payments under each Lease shall constitute a current expense of Lessee payable solely from its general fund or other funds that are legally available for that purpose and shall not in any way be construed to be a debt of Lessee in contravention of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness by Lessee. THE RENTAL PAYMENTS ARE TO BE MADE ONLY FROM LESSEE'S LEGALLY AVAILABLE REVENUES APPROPRIATED ON AN ANNUAL BASIS, AND NEITHER LESSEE, THE STATE, NOR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF SHALL BE OBLIGATED TO PAY ANY SUMS DUE UNDER A LEASE FROM THE COMPELLED LEVY OF AD VALOREM OR OTHER TAXES EXCEPT FROM THOSE LEGALLY AVAILABLE

REVENUES APPROPRIATED BY LESSEE ON AN ANNUAL BASIS, AND NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF LESSEE, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF ARE PLEDGED FOR PAYMENT OF SUCH SUMS DUE UNDER A LEASE.

Section 4.04. Rental Payments to be Unconditional. Except as provided in Section 3.03, the obligations of Lessee to make Rental Payments and to perform and observe the other covenants and agreements contained in each Lease shall be absolute and unconditional in all events without abatement, diminution, deduction, set-off or defense, for any reason, including without limitation any failure of the Equipment, after it has been accepted by lessee, any defects, malfunctions, breakdowns or infirmities in the equipment or any accident, condemnation or unforeseen circumstances.

Section 4.05. Tax Covenant. Lessee agrees that it will not take, or fail to take in a timely manner, any action that would cause the interest component of Rental Payments to be or to become ineligible for the exclusion from gross income of the owner or owners thereof for federal income tax purposes, including, without limitation, the calculation and payment of any rebate required to preserve such exclusion. Subject to Lessee's right to terminate the Lease as provided herein, the foregoing covenant shall remain in effect until the date on which all obligations of Lessee in fulfilling the above covenant under the Code have been met.

Section 4.06. Event of Taxability. Upon the occurrence of an Event of Taxability, the interest component shall be at a Taxable Rate retroactive to the date as of which the interest component is determined by the Internal Revenue Service to be includible in the gross income of the owner or owners thereof for federal income tax purposes, and Lessee will pay such additional amount as will result in the owner receiving the interest component at the Taxable Rate identified in the related Lease.

For purposes of this Section, "Event of Taxability" means a determination that the interest component is includible for federal income tax purposes in the gross income of the owner thereof due to Lessee's action or failure to take any action.

Section 4.07. Mandatory Prepayment. If the Lease Proceeds are deposited into an Acquisition Fund, any funds remaining in the Acquisition Fund on or after the Acquisition Period and not applied to Equipment Costs, shall be applied by Lessor on the next Rental Payment date, pro rata to the prepayment of the principal component of the outstanding Rental Payments due under the applicable Schedule.

ARTICLE V

Section 5.01. Delivery, Installation and Acceptance of Equipment.

(a) Lessee shall order the Equipment, cause the Equipment to be delivered and installed at the location specified in the Leases, and pay any and all delivery and installation costs and other Equipment Costs in connection therewith. When the Equipment listed in any Lease has been delivered and installed, Lessee shall promptly accept such Equipment and

evidence said acceptance by executing and delivering to Lessor an acceptance certificate in the form attached hereto as Exhibit B.

(b) Lessee shall deliver to Lessor original invoices and bills of sale (if title to such Equipment has passed to Lessee) relating to each item of Equipment accepted by Lessee. With respect to Equipment not purchased through an Acquisition Fund, Lessor shall, upon receipt of an Acceptance Certificate from Lessee, prepare a Schedule of Property and Rental Payment Schedule. Lessee shall execute and deliver such Schedules to Lessor within 5 business days of receipt.

Section 5.02. Enjoyment of Equipment. Lessor shall provide Lessee with quiet use and enjoyment of the Equipment during the Lease Term, and Lessee shall peaceably and quietly have, hold and enjoy the Equipment during the Lease Term, without suit, trouble or hindrance from Lessor, except as otherwise expressly set forth in the related Lease. Lessor shall not interfere with such quiet use and enjoyment during the Lease Term so long as Lessee is not in default under the related Lease.

Section 5.03. Location and Inspection of the Equipment. Once installed, Lessee will not move any item of the Equipment from the location specified for it in the Lease on which such item is listed without Lessor's consent, which consent shall not be unreasonably withheld. Lessor shall have the right at all reasonable times during regular business hours to enter into and upon the property of Lessee for the purpose of inspecting the Equipment. Lessee shall promptly provide any information about the Equipment or a Lease that may be reasonably requested by Lessor.

Section 5.04. Use and Maintenance of the Equipment. Lessee will not install, use, operate, or maintain the Equipment improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by the related Lease. Lessee shall provide all permits and licenses, if any, necessary for the installation and operation of the Equipment. In addition, Lessee agrees to comply in all respects with all applicable laws, regulations and rulings of any legislative, executive, administrative, or judicial body; provided that Lessee may contest in good faith the validity or application of any such law, regulation or ruling in any reasonable manner that does not, in the opinion of Lessor, adversely affect the interest (including the reversionary interest) of Lessor in and to the Equipment or its interest or rights under the Lease.

Lessee agrees that it will maintain, preserve, and keep the Equipment in good repair and working order, in accordance with manufacturer's recommendations. Lessor shall have no responsibility to maintain, repair or make improvements or additions to the Equipment. If commercially available, Lessee will maintain in force a standard maintenance contract with the manufacturer of the Equipment, and upon request will provide Lessor with a copy of that contract. Upon the prior written consent of Lessor, which consent shall not be unreasonably withheld, Lessee may use another third party maintenance provider provided the maintenance contract between Lessee and such third party requires the third party to maintain the Equipment at the manufacturer's then current release, revision and engineering change levels, including hardware, software enhancements and microcode levels. In all cases, Lessee agrees to pay any costs necessary for the manufacturer to re-certify the Equipment as eligible for manufacturer's maintenance upon the return of the Equipment to Lessor as provided for herein.

Lessee shall not alter any item of Equipment or install any accessory, equipment or device on an item of Equipment if that would impair any applicable warranty, the originally intended function or the value of that Equipment. All repairs, parts, accessories, equipment and devices furnished, affixed to or installed on any Equipment, excluding temporary replacements, shall thereupon become subject to the security interest of Lessor.

ARTICLE VI

Section 6.01. Title to the Equipment. During each Lease Term, and so long as Lessee is not in default under Article XII hereof, all right, title and interest in and to each item of the Equipment shall be vested in Lessee immediately upon its acceptance of each item of Equipment, subject to the terms and conditions of the applicable Lease. Lessee shall at all times protect and defend, at its own cost and expense, its title in and to the Equipment from and against all claims, liens and legal processes of its creditors, and keep all Equipment free and clear of all such claims, liens and processes. Upon the occurrence of an Event of Default or upon termination of a Lease pursuant to Section 3.03 hereof, full and unencumbered legal title to the Equipment shall pass to Lessor, and Lessee shall have no further interest therein except as provided in Section 12.02(c). In addition, upon the occurrence of such an Event of Default or such termination, Lessee shall execute and deliver to Lessor such documents as Lessor may request to evidence the passage of such legal title to Lessor and the termination of Lessee's interest therein, and upon request by Lessor shall deliver possession of the Equipment to Lessor in accordance with Section 12.02. Upon purchase of the Equipment under a Lease by Lessee pursuant to Section 10.01, Lessor's interest in the Equipment shall terminate, and Lessor shall execute and deliver to Lessee such documents as Lessee may request to evidence the termination of Lessor's interest in Equipment subject to the related Lease.

Section 6.02. Personal Property. The Equipment is and will remain personal property and will not be deemed to be affixed to or a part of the real estate on which it may be situated, notwithstanding that the Equipment or any part thereof may be or hereafter become in any manner physically affixed or attached to real estate or any building thereon. Upon the request of Lessor, Lessee will, at Lessee's expense, furnish a waiver of any interest in the Equipment from any party having an interest in any such real estate or building.

ARTICLE VII

Section 7.01. Liens, Taxes, Other Governmental Charges and Utility Charges. Lessee shall keep the Equipment free of all levies, liens, and encumbrances except those created by each Lease. The parties to this Agreement contemplate that the Equipment will be used for a governmental, municipal or public purpose or function of Lessee and that the Equipment will therefore be exempt from all property taxes. If the use, possession or acquisition of any Equipment is nevertheless determined to be subject to taxation, Lessee shall pay when due all taxes and governmental charges lawfully assessed or levied against or with respect to such Equipment. Lessee shall pay all utility and other charges incurred in the use and maintenance of the Equipment. Lessee shall pay such taxes or charges as the same may become due; provided that, with respect to any such taxes or charges that may lawfully be paid in installments over a

period of years, Lessee shall be obligated to pay only such installments as accrue during each Lease Term. In the event that the installation of any component of any item of Equipment could be deemed to require a performance and payment bond under Section 255.05, Florida Statutes, or be deemed subject to the mechanic's lien provisions of Chapter 713, Florida Statutes, or any successor statute to each, as they may be amended from time to time, Lessee shall require such bonds, post such notices and do all other things provided for under such laws in order to keep the Equipment free of and exempt from all liens.

Section 7.02. Insurance. Lessee shall during each Lease Term maintain or cause to be maintained (a) casualty insurance naming Lessor and its assigns as additional insured and loss payee and insuring the Equipment against loss or damage by fire and all other risks covered by the standard extended coverage endorsement then in use in the State, and any other risks reasonably required by Lessor, in an amount at least equal to the then applicable Purchase Price of the Equipment; (b) liability insurance that protects Lessor from liability in all events in form and amount satisfactory to Lessor; and (c) worker's compensation coverage as required by the laws of the State; provided that, with Lessor's prior written consent, Lessee may self-insure against the risks described in clause (a). Lessee shall furnish to Lessor evidence of such insurance or self-insurance coverage throughout each Lease Term. Lessee shall not cancel or modify such insurance or self-insurance coverage in any way that would affect the interests of Lessor without first giving written notice thereof to Lessor at least 30 days in advance of such cancellation or modification. All insurance policies required by this Section 7.02 shall be taken out and maintained with responsible insurance companies qualified to do business in the State and shall contain a provision that the insurer shall not cancel or revise coverage thereunder without giving written notice to the insured parties at least 30 days before the cancellation or revision becomes effective.

Section 7.03. Advances. In the event Lessee shall fail to keep the Equipment in good repair and working order, Lessor may, but shall be under no obligation to, maintain and repair the Equipment and pay the cost thereof. All amounts so advanced by Lessor shall constitute additional rent for the then current Original Term or Renewal Term and Lessee covenants and agrees to pay such amounts so advanced by Lessor with interest thereon from the due date until paid at the rate of 16% per annum or the maximum amount permitted by law, whichever is less.

ARTICLE VIII

Section 8.01. Damage, Destruction and Condemnation. Unless Lessee shall have exercised its option to purchase the Equipment by making payment of the Purchase Price as provided in the related Lease, if, prior to the termination of the applicable Lease Term, (a) the Equipment or any portion thereof is destroyed, in whole or in part, or is damaged by fire or other casualty or (b) title to, or the temporary use of, the Equipment or any part thereof shall be taken under the exercise or threat of the power of eminent domain by any governmental body or by any person, firm or corporation acting pursuant to governmental authority, Lessee and Lessor will cause the Net Proceeds of any insurance claim or condemnation award or sale under threat of condemnation to be applied to the prompt replacement, repair, restoration, modification or improvement of the Equipment. Any balance of the Net Proceeds remaining after such work has been completed shall be paid to Lessee.

If Lessee elects to replace any item of the Equipment (the "Replaced Equipment") pursuant to this Section, the replacement equipment (the "Replacement Equipment") shall be of similar type, utility and condition to the Replaced Equipment and shall be of equal or greater value than the Replaced Equipment. Lessee shall represent, warrant and covenant to Lessor that each item of Replacement Equipment is free and clear of all claims, liens, security interests and encumbrances, excepting only those liens created by or through Lessor, and shall provide to Lessor any and all documents as Lessor may reasonably request in connection with the replacement, including, but not limited to, documentation in form and substance satisfactory to Lessor evidencing Lessor's security interest in the Replacement Equipment. Lessor and Lessee hereby acknowledge and agree that any Replacement Equipment acquired pursuant to this paragraph shall constitute "Equipment" for purposes of this Master Equipment Lease and the related Lease. Lessee shall complete the documentation of Replacement Equipment on or before the next Rent Payment date after the occurrence of a casualty event, or be required to exercise the Purchase Option with respect to the damaged equipment.

For purposes of this Article, the term "Net Proceeds" shall mean the amount remaining from the gross proceeds of any insurance claim or condemnation award or sale under threat of condemnation after deducting all expenses, including attorneys' fees, incurred in the collection thereof.

Section 8.02. Insufficiency of Net Proceeds. If the Net Proceeds are insufficient to pay in full the cost of any repair, restoration, modification or improvement referred to in Section 8.01, Lessee shall either (a) complete such replacement, repair, restoration, modification or improvement and pay any costs thereof in excess of the amount of the Net Proceeds, or (b) pay or cause to be paid to Lessor the amount of the then applicable Purchase Price for the Equipment, and, upon such payment, the applicable Lease Term shall terminate and Lessor's security interest in the Equipment shall terminate as provided in Article VI hereof. The amount of the Net Proceeds, if any, remaining after completing such repair, restoration, modification or improvement or after purchasing such Equipment and such other Equipment shall be retained by Lessee. If Lessee shall make any payments pursuant to this Section, Lessee shall not be entitled to any reimbursement therefor from Lessor nor shall Lessee be entitled to any diminution of the amounts payable under Article IV.

ARTICLE IX

Section 9.01. Disclaimer of Warranties. Lessor makes no warranty or representation, either express or implied, as to the value, design, condition, merchantability or fitness for particular purpose or fitness for use of the Equipment, or any other warranty or representation, express or implied, with respect thereto and, as to Lessor, Lessee's acquisition of the Equipment shall be on an "as is" Basis. In no event shall Lessor be liable for any incidental, indirect, special or consequential damage in connection with or arising out of this Agreement, any Lease, the Equipment or the existence, furnishing, functioning or Lessee's use of any item, product or service provided for in this Agreement or any Lease.

Section 9.02. Vendor's Warranties. Lessor hereby irrevocably appoints Lessee its agent and attorney-in-fact during each Lease Term, so long as Lessee shall not be in default under the

related Lease, to assert from time to time whatever claims and rights (including without limitation warranties) relating to the Equipment that Lessor may have against Vendor. Lessee's sole remedy for the breach of such warranty, indemnification or representation shall be against Vendor of the Equipment, and not against Lessor. Any such matter shall not have any effect whatsoever on the rights and obligations of Lessor with respect to any Lease, including the right to receive full and timely payments under a Lease. Lessee expressly acknowledges that Lessor makes, and has made, no representations or warranties whatsoever as to the existence or the availability of such warranties by Lessor of the Equipment.

ARTICLE X

Section 10.01. Purchase Option. Lessee shall have the option to purchase all of the Equipment listed in a Lease, upon giving written notice to Lessor at least 30, but not more than 120, days before the date of purchase, at the following times and upon the following terms:

(a) From and after the date specified in the related Schedule (the "Purchase Option Commencement Date"), on the Rental Payment dates specified in each Lease, upon payment in full of the Rental Payments then due under such Lease plus the then applicable Purchase Price, and any prepayment premium on the unpaid balance as set forth in the applicable Schedule; or

(b) In the event of substantial damage to or destruction or condemnation of substantially all of the Equipment listed in a Lease, on the day specified in Lessee's notice to Lessor of its exercise of the Purchase Option upon payment in full to Lessor of the Rental Payments then due under such Lease plus the then applicable Purchase Price; or

(c) Upon the expiration of the Lease Term, upon payment in full of all Rental Payments then due and all other amounts then owing under the Lease, and the payment of \$1.00 to Lessor.

ARTICLE XI

Section 11.01. Assignment by Lessor. Lessor's right, title and interest in and to Rental Payments and any other amounts payable by Lessee under any and all of the Leases, and all proceeds therefrom may be assigned and reassigned in whole or in part to one or more assignees or subassignees by Lessor, without the necessity of obtaining the consent of Lessee; provided, however, that any such assignment, transfer or conveyance to a trustee for the benefit of owners of certificates of participation shall be made in a manner that conforms to any applicable State law. Nothing in this Section 11.01 shall be construed, however, to prevent Lessor from executing any such assignment, transfer or conveyance that does not involve funding through the use of certificates of participation within the meaning of applicable State law, including any such assignment, transfer or conveyance as part of a multiple asset pool to a partnership or trust, interests in which are offered and sold in a private placement or limited offering only to investors whom Lessor reasonably believes are qualified institutional buyers or accredited investors within the meaning of the applicable federal securities law; provided further, however, that in any event, Lessee shall not be required to make Rental Payments, to send notices or to otherwise deal with respect to matters arising under a Lease with or to more than one individual or entity. No

assignment, transfer or conveyance permitted by this Section 11.01 shall be effective until Lessee shall have received a written notice of assignment that discloses the name and address of each such assignee; provided, however, that if such assignment is made to a bank or trust company as trustee or paying agent for owners of certificates of participation, trust certificates or partnership interests with respect to the Rental Payments payable under a Lease, it shall thereafter be sufficient that Lessee receives notice of the name and address of the bank or trust company as trustee or paying agent. During the term of each Lease, Lessee shall keep, or cause to be kept, a complete and accurate record of all such assignments in form necessary to comply with Section 149 of the Code. Lessee shall retain all such notices as a register of all assignees and shall make all payments to the assignee or assignees designated in such register. Lessee shall not have the right to and shall not assert against any assignee any claim, counterclaim or other right Lessee may have against Lessor or the Vendor. Assignments in part may include without limitation assignment of all of Lessor's rights in, to and under the Lease related to the Equipment listed in a particular Lease. The option granted in this Section may be separately exercised from time to time with respect to the Equipment listed in each Lease, but such option does not permit the assignment of less than all of Lessor's interests in the Equipment listed in a single Lease.

Section 11.02. Assignment and Subleasing by Lessee. None of Lessee's right, title, and interest in, to and under any Lease or any portion of the Equipment may be assigned or encumbered by Lessee without prior written consent of Lessor.

ARTICLE XII

Section 12.01. Events of Default Defined. Any of the following events shall constitute an "Event of Default" under a Lease, subject to Section 3.03:

(a) Failure by Lessee to pay any Rental Payment or other payment required to be paid under any Lease at the time specified herein;

(b) Failure by Lessee to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in subparagraph (a) above, for a period of 30 days after written notice specifying such failure and requesting that it be remedied is given to Lessee by Lessor, unless Lessor shall agree in writing to an extension of such time prior to its expiration; provided that, if the failure stated in the notice cannot be corrected within the applicable period, Lessor will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by Lessee within the applicable period and diligently pursued until the default is corrected;

(c) Any statement, representation or warranty made by Lessee in or pursuant to any Lease or its execution, delivery or performance shall prove to have been false, incorrect, misleading, or breached in any material respect on the date when made;

(d) Any default occurs under any other agreement for borrowing money or receiving credit under which Lessee may be obligated as borrower, if such default consists of (i) the failure to pay any indebtedness when due or (ii) the failure to perform any other obligation thereunder and gives the holder of the indebtedness the right to accelerate the indebtedness;

(e) Lessee shall (i) apply for or consent to the appointment of a receiver, trustee, custodian or liquidator of Lessee, or of all or a substantial part of the assets of Lessee, (ii) be unable, fail or admit in writing its inability generally to pay its debts as they become due, (iii) make a general assignment for the benefit of creditors, (iv) have an order for relief entered against it under applicable federal bankruptcy law, or (v) file a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors or taking advantage of any insolvency law or any answer admitting the material allegations of a petition filed against Lessee in any bankruptcy, reorganization or insolvency proceeding;

(f) An order, judgment or decree shall be entered by any court of competent jurisdiction, approving a petition or appointing a receiver, trustee, custodian or liquidator or Lessee or of all or a substantial part of the assets of Lessee, in each case without its application, approval or consent, and such order, judgment or decree shall continue unstayed and in effect for any period of 30 consecutive days; or

(g) Lessee shall consolidate, merge or otherwise combine with any other entity, or sell, lease or dispose of all or a substantial portion of its assets.

Section 12.02. Remedies on Default. Whenever any Event of Default exists, Lessor shall have the right, at its sole option without any further demand or notice, to take one or any combination of the following remedial steps:

(a) Lessor may by notice in writing to Lessee terminate the Lease, whereupon all rights of Lessee to use the Equipment shall cease and terminate;

(b) By written notice to Lessee, Lessor may demand that Lessee pay, as liquidated damages for loss of a bargain and not as a penalty, all unpaid Rental Payments payable by Lessee pursuant to such Lease and other amounts payable by Lessee under such Lease to the end of the then current Original Term or Renewal Term;

(c) With or without terminating the Lease Term under such Lease, Lessor may request that Lessee at Lessee's expense promptly return any or all of such Equipment to the possession of Lessor at such place within the United States as Lessor shall specify. In such event, Lessor shall use its best efforts to sell or lease such Equipment or, for the account of Lessee, sublease such Equipment. If Lessee returns the Equipment and Lessor sells, leases or otherwise disposes of any or all of the Equipment, Lessor shall apply the proceeds of such sale, lease or other disposition in the following order of priority: FIRST, to pay all of Lessor's costs, charges and expenses incurred in taking, holding, repairing, selling, leasing or otherwise disposing of Equipment, then SECOND, to the extent not previously paid by Lessee, to pay Lessor all Rental Payments under the applicable Lease through the termination date, then THIRD, to pay the Purchase Price applicable as of the end of the then current Original Term or Renewal Term, as set forth in the Schedule for such Equipment, then FOURTH to pay any remainder to Lessee. Lessee shall not be liable for any deficiency after sale, lease or other disposition of the Equipment. If Lessee elects not to return the Equipment, Lessor is entitled to payment of unpaid Rental Payments through the date of Lessor's request to return the Equipment plus the then applicable Purchase Price, as set forth in the applicable Schedule for such

Equipment. The exercise of any such remedies respecting any such Event of Default shall not relieve Lessee of any other liabilities under any other Lease or the Equipment listed therein; and

(d) Lessor may take whatever action at law or in equity may appear necessary or desirable to enforce its rights under such Lease.

Section 12.03. No Remedy Exclusive. No remedy herein conferred upon or reserved to Lessor is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under a Lease now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle Lessor to exercise any remedy reserved to it in this Article it shall not be necessary to give any notice other than such notice as may be required in this Article.

Section 12.04. Application of Moneys. Any net proceeds from the exercise of any remedy under this Agreement, including the application specified in Section 12.02(b) (after deducting all expenses of Lessor in exercising such remedies including without limitation all expenses of taking possession, storing, reconditioning and selling or leasing Equipment and all brokerage, auctioneer's or attorney's fees), shall be applied as follows:

(a) If such remedy is exercised solely with respect to a single Lease, Equipment listed in such Lease or rights thereunder, then to amounts due pursuant to such Lease and other amounts related to such Lease or such Equipment.

(b) If such remedy is exercised with respect to more than one Lease, Equipment listed in more than one Lease or rights under more than one Lease, then to amounts due pursuant to such Leases pro rata.

ARTICLE XIII

Section 13.01. No Fees Paid by Lessor. Lessor hereby certifies that it has not paid or has not promised to pay, directly or indirectly, a fee to any person not regularly employed by Lessor to act as an intermediary between Lessee and Lessor for the purpose of influencing any transaction in connection with this Agreement or any Lease.

Section 13.02. Notices. All notices, certificates or other communications under any Lease shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, or delivered by overnight courier, or sent by facsimile transmission (with electronic confirmation) to the parties hereto at the addresses immediately after the signatures to this Agreement (or at such other address as either party hereto shall designate in writing to the other for notices to such party) and to any assignee at its address as it appears on the registration books maintained by Lessee.

Section 13.03. Release and Indemnification. To the extent permitted by law, but only from legally available funds, Lessee shall indemnify, protect, hold harmless, save and keep harmless Lessor from and against any and all liability, obligation, loss, claim, tax and damage

whatsoever, regardless of cause thereof, and all expenses in connection therewith (including, without limitation, counsel fees and expenses, penalties connected therewith imposed on interest received) arising out of or as a result of (a) the entering into of this Agreement or any Lease, (b) the ownership of any item of the Equipment, (c) the ordering, acquisition, use, operation, condition, purchase, delivery, rejection, storage or return of any item of the Equipment, (d) any accident in connection with the operation, use, condition, possession, storage or return of any item of the Equipment resulting in damage to property or injury to or death to any person, and/or (e) the breach of any covenant in a Lease or any material misrepresentation contained in a Lease. The indemnification arising under this paragraph shall continue in full force and effect notwithstanding the full payment of all obligations under all Leases or the termination of the Lease Term under all Leases for any reason.

Section 13.04. Binding Effect. Each Lease shall inure to the benefit of and shall be binding upon Lessor and Lessee and their respective successors and assigns.

Section 13.05. Severability. In the event any provision of any Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof. Any provisions in this Lease which are in conflict with any statute, law or applicable rule shall be deemed omitted, modified or altered to conform thereto.

Section 13.06. Amendments, Changes and Modifications. Each Lease may only be amended by Lessor and Lessee in writing.

Section 13.07. Execution in Counterparts. Each Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 13.08. Applicable Law. Each Lease shall be governed by and construed in accordance with the laws of the State.

Section 13.09. Captions. The captions or headings in this Agreement and in each Lease are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement or any Lease.

IN WITNESS WHEREOF, Lessor and Lessee have caused this Agreement to be executed in their names by their duly authorized representatives as of the date first above written.

LESSOR:

Banc of America Leasing & Capital, LLC
555 California Street, 4th Floor
San Francisco, California 94104

LESSEE:

By _____

Title _____

By _____

Title _____

(Seal)

Attest:

By _____

Title _____

EXHIBIT A**SCHEDULE OF PROPERTY NO. _____**

Re: Master Equipment Lease/Purchase Agreement, dated as of _____, between Banc of America Leasing & Capital, LLC, as Lessor, and _____, as Lessee

1. **Defined Terms.** All terms used herein have the meanings ascribed to them in the above-referenced Master Equipment Lease/Purchase Agreement (the "Master Equipment Lease").

2. **Equipment.** The following items of Equipment are hereby included under this Schedule of the Master Equipment Lease.

| Quantity | Description | Serial No. | Model No. | Location |
|----------|-------------|------------|-----------|----------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

3. **Payment Schedule.**

(a) **Rental Payments.** The Rental Payments shall be in such amounts and payable on such dates as set forth in the Rental Payment Schedule attached to this Schedule as Exhibit A-1. Rental Payments shall commence on the date on which the Equipment listed in this Schedule is accepted by Lessee, as indicated in an Acceptance Certificate substantially in the form of Exhibit B to the Master Equipment Lease or the date on which sufficient moneys to purchase the Equipment are deposited for that purpose with an Acquisition Fund Custodian, whichever is earlier.

(b) **Purchase Price Schedule.** The Purchase Price on each Rental Payment date for the Equipment listed in this Schedule shall be the amount set forth for such Rental Payment date in the "Purchase Price" column of the Rental Payment Schedule attached to this Schedule. The Purchase Price is in addition to all Rental Payments then due under this Schedule (including the Rental Payment shown on the same line in the Rental Payment Schedule).

4. **Representations, Warranties and Covenants.** Lessee hereby represents, warrants and covenants that its representations, warranties and covenants set forth in the Master Equipment Lease are true and correct as though made on the date of commencement of Rental Payments on this Schedule. Lessee further represents and warrants that no material adverse change in Lessee's financial condition has occurred since the date of the Master Equipment Lease.

5. The Lease. The terms and provisions of the Master Equipment Lease (other than to the extent that they relate solely to other Schedules or Equipment listed on other Schedules) are hereby incorporated into this Schedule by reference and made a part hereof.

[OPTION: IF ACQUISITION FUND AGREEMENT IS USED:

6. Acquisition Amount. The Acquisition Amount for the Equipment described in this Schedule, to be deposited in the Acquisition Fund designated "_____" for Account No. _____, is \$ _____.

OR IF VENDOR PAID DIRECTLY, USE:

6. Acquisition Amount. The Acquisition Amount for the Equipment described in this Schedule to be paid to the Vendor is \$ _____.]

[OPTION: IF ACQUISITION FUND AGREEMENT IS USED:

7. Acquisition Period. The Acquisition Period applicable to this Schedule shall end at the conclusion of the ____ month following the date hereof.]

Dated: _____

LESSOR:
Banc of America Leasing & Capital, LLC
555 California Street, 4th Floor
San Francisco, California 94104

LESSEE:

By _____
Title _____

By _____
Title _____

(Seal)

Attest:

By _____
Title _____

EXHIBIT A-1

RENTAL PAYMENT SCHEDULE

| Rental Payment Date | Rental Payment Amount | Interest Portion | Principal Portion | Purchase Price[*] |
|---------------------|-----------------------|------------------|-------------------|-------------------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

[*The Purchase Option Commencement Date shall be _____. The Purchase Price payable (i) on any Rental Payment date is the amount equal to the aggregate principal portion of the remaining Rental Payments after payment of the Rental Payment payable on such Rental Payment date, plus a prepayment premium described below which is in addition to the amount stated in the "Purchase Price" column above and (ii) on any date other than a Rental Payment date is the amount equal to the aggregate principal portion of the remaining Rental Payments plus an amount equal to the interest portion of such Rental Payments accrued thereon to such date, without such prepayment premium or penalty.

| Date of Purchase | Premium |
|------------------|---------|
| | 1 |

For purposes of this Lease, "Taxable Rate," with respect to the interest component of Rental Payments, means an annual rate of interest equal to ____%.

Lessee:

By _____

Title _____

After payment of the applicable Purchase Price, Lessee will own the related Equipment, free and clear of any obligations under the related Lease.

EXHIBIT B

ACCEPTANCE CERTIFICATE

Banc of America Leasing & Capital, LLC
555 California Street, 4th Floor
San Francisco, California 94104

Re: Schedule of Property No. _____, dated _____,
to Master Equipment Lease/Purchase Agreement, dated as of
_____, between Banc of America Leasing & Capital, LLC,
as Lessor, and _____, as Lessee

Ladies and Gentlemen:

In accordance with the Master Equipment Lease/Purchase Agreement (the "Agreement"), the undersigned Lessee hereby certifies and represents to, and agrees with Lessor as follows:

1. All of the Equipment (as such term is defined in the Agreement) listed in the above-referenced Schedule of Property (the "Schedule") has been delivered, installed and accepted on the date hereof.
2. Lessee has conducted such inspection and/or testing of the Equipment listed in the Schedule as it deems necessary and appropriate and hereby acknowledges that it accepts the Equipment for all purposes.
3. Lessee is currently maintaining the insurance coverage required by Section 7.02 of the Agreement.
4. No event or condition that constitutes, or with notice or lapse of time, or both, would constitute, an Event of Default (as defined in the Agreement) exists at the date hereof.

Date: _____

LESSEE:

By _____
Title _____

(Seal)

EXHIBIT C

[CLERK/SECRETARY] CERTIFICATE

The undersigned, a duly elected and acting [Clerk/Secretary] of _____
("Lessee") certifies as follows:

A. The following listed persons are duly elected and acting officials of Lessee (the "Officials") in the capacity set forth opposite their respective names below and that the facsimile signatures are true and correct as of the date hereof;

B. The Officials are duly authorized, on behalf of Lessee, to negotiate, execute and deliver the Master Equipment Lease/Purchase Agreement dated as of _____ and the Schedule(s) thereunder and all future Schedule(s) (the "Agreements") by and between _____ and Banc of America Leasing & Capital, LLC and these Agreements are binding and authorized Agreements of Lessee, enforceable in all respects in accordance with their terms.

| Name of Official | Title | Signature |
|------------------|-------|-----------|
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |

Dated _____ By _____
Title _____

(The signer of this Certificate cannot be listed above as authorized to execute the Agreements.)

EXHIBIT D

OPINION OF COUNSEL TO LESSEE

Banc of America Leasing & Capital, LLC
555 California Street, 4th Floor
San Francisco, California 94104

Re: Schedule of Property No. _____, dated _____,
to Master Equipment Lease/Purchase Agreement, dated as of _____,
between Banc of America Leasing & Capital, LLC,
as Lessor, and _____, as Lessee

Ladies and Gentlemen:

As legal counsel to _____ ("Lessee"), I have examined (a) an executed counterpart of a certain Master Equipment Lease/Purchase Agreement, dated as of _____, and Exhibits thereto by and between Banc of America Leasing & Capital, LLC ("Lessor") and Lessee (the "Agreement"), and an executed counterpart of Schedule of Property No. _____, dated _____, by and between Lessor and Lessee (the "Schedule"), which, among other things, provides for the lease of certain property listed in the Schedule (the "Equipment"), (b) an executed counterpart of the ordinances or resolutions of Lessee which, among other things, authorize Lessee to execute the Agreement and the Schedule and (c) such other opinions, documents and matters of law as I have deemed necessary in connection with the following opinions. The Schedule and the terms and provisions of the Agreement incorporated therein by reference together with the Rental Payment Schedule attached to the Schedule are herein referred to collectively as the "Lease".

Based on the foregoing, I am of the following opinions:

1. Lessee is a [public body corporate and politic, duly organized/municipality duly created] and existing under the laws of the State, and [has a substantial amount of the following sovereign powers: (a) the power to tax, (b) the power of eminent domain, and (c) police power][is a political subdivision of a state within the meaning of Section 103(c) of the Internal Revenue Code of 1986, as amended (the "Code"), and the obligations of Lessee under the Agreement will constitute an obligation of Lessee within the meaning of Section 103(a) of the Code, notwithstanding Section 103(b) of the Code];
2. Lessee has the requisite power and authority to lease and acquire the Equipment and to execute and deliver the Lease and to perform its obligations under the Lease;
3. The Lease has been duly authorized, approved, executed and delivered by and on behalf of Lessee and the Lease is a valid and binding obligation of Lessee enforceable in accordance with its terms;
4. The authorization, approval, execution and delivery of the Lease and all other proceedings of Lessee relating to the transactions contemplated thereby have been performed in

accordance with all open meeting laws, public bidding laws and all other applicable state or federal laws;

5. There is no proceeding pending or threatened in any court or before any governmental authority or arbitration board or tribunal that, if adversely determined, would adversely affect the transactions contemplated by the Lease or the security interest of Lessor or its assigns, as the case may be, in the Equipment thereunder; and

6. The portion of rentals designated as and constituting interest paid by Lessee and received by Lessor is excluded from Lessor's gross income for federal income tax purposes under Section 103 of the Code; and such interest is not a specific item for purposes of the federal individual or corporate alternative minimum taxes.

All capitalized terms herein shall have the same meanings as in the Lease unless otherwise provided herein. Lessor and its successors and assigns, and any counsel rendering an opinion on the tax-exempt status of the interest components of the Rental Payments, are entitled to rely on this opinion.

Yours truly,

EXHIBIT E

ESSENTIAL USE/SOURCE OF FUNDS CERTIFICATE

Banc of America Leasing & Capital, LLC
555 California Street, 4th Floor
San Francisco, California 94104

Re: Master Equipment Lease/Purchase Agreement dated _____,
Schedule of Property No. _____ dated _____

This certificate confirms and affirms that the Equipment described in the Agreement referenced above is essential to the governmental, municipal or public purposes or functions of Lessee or to the services Lessee provides its citizens. Further, Lessee has an immediate need for, and expects to make immediate use of, substantially all such Equipment, which need is not temporary or expected to diminish in the foreseeable future. Such Equipment will be used by Lessee only for the purpose of performing one or more of Lessee's governmental or proprietary functions permitted under the Act (as defined in the Agreement referenced above).

Lessee expects and anticipates adequate funds to be available for all future payments or rent due after the current budgetary period, subject to annual appropriation.

[Lessee]

By _____

Name _____

Title _____